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U.S. DEPARTMENT OF AGRICULTURE

Status of the Food and Agriculture Councils Needs to Be Elevated

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Resources, Community, and
Economic Development Division

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November 20, 1989

The Honorable Clayton Yeutter
The Secretary of Agriculture

Dear Mr. Secretary:

This is the first in what we expect to be a series of reports on specific issues identified during our management review that we believe should be brought to your attention as soon as possible. This letter describes the current dormant status of the Food and Agriculture Councils (FAC) and recommends a way to revitalize the FACs as a strategic management tool for the U. S. Department of Agriculture (USDA).

In summary, we found that the FACs are not fulfilling their mandate to help implement USDA-wide initiatives and to provide a source of feedback from state and local levels. The FACs need high-level representation at USDA headquarters if they are to fill these functions effectively.

Background

Secretary Block established the FACs in 1982 to function under his direct authority as an interagency coordination mechanism to (1) facilitate the flow of USDA-wide initiatives to the state and local levels and (2) provide a source of feedback from the field on pressing issues affecting farm communities nationwide.[1] Initially, state and local FACs were responsible for executing Department initiatives in the areas of rural development, land use policy, and emergency preparedness. USDA headquarters has also depended on state FAC oversight of special activities, such as collocating USDA field agencies in common office space and other Department efforts at improving the efficiency and cost-effectiveness of USDA's program delivery and administrative support services.

USDA organized the FACs on three levels. The state FACs are comprised of senior officials of the individual USDA agencies in a given state. The local FACs consist of USDA representatives at the county, parish, borough, or multi-county level and may also include other federal representatives at these levels. In headquarters, the National Food and Agriculture Council (NFAC) has served as liaison for the FACs with responsibility for coordinating USDA initiatives that require cooperation at the state and local levels.

[1]The FAC concept is not new to USDA. For example, in 1962 and 1979 earlier Secretaries used similar groups as forums for interagency coordination.

All state and local FAC officials perform their FAC functions as part of their official duties for their respective agencies. In this sense, the FACs may be considered "budget neutral," that is, they incur no additional cost to the Department.

FACs Can Provide Critical Headquarters-Field Linkage

About 90 percent of the Department's over 110,000 full-time employees work in field offices for some 36 individual USDA agencies. This elaborate field structure—typically with more than one USDA agency in each of the country's 3,000 counties—requires interagency coordination through a focal point at the national level. Absent a coordination mechanism such as the FACs, directives intended to carry a Department-wide perspective can often be recast to reflect individual agency priorities, thereby weakening the Secretary's objectives.

State and local FACs can also provide grassroots feedback to the Secretary on a growing number of policy issues that cut across traditional departmental lines. These cross-cutting issues—which can affect agriculture in a given state, region, or the entire nation—include, among others, biotechnology, water quality, food safety, and marketing. One illustration of the FACs' feedback role is a January 1983 report in which an interagency group led by the NFAC Director provided the Secretary with a summary of states' needs assessments in the areas of food, agriculture, and rural development, and a concise synopsis of broad state concerns ranging from farm economics to natural resource and environmental issues to rural infrastructure.[2]

State and local FACs are also well-positioned to assess the potential for improved efficiency and possible cost savings through integrated administrative support services and field office collocations at the state and county levels. For example, according to a number of USDA officials, when Secretary Block asked all state FACs in 1985 to prepare preliminary plans for streamlining state operations and other suggestions for improving USDA's organizational structure,[3] the response was very positive. One official commented that some state FACs had enthusiastically proposed substantial reorganizations of existing structures that if implemented, would have resulted in a leaner but stronger USDA presence. Further, two FAC projects initiated under USDA's 1985 streamlining effort

[2]Report to the Secretary from the State Food and Agriculture Councils, USDA (Washington, D.C., Jan. 1983).

[3]See A Blueprint for the Future Organization of the United States Department of Agriculture: Final Report by the Secretary's Task Force on Streamlining USDA (Washington, D.C., Oct. 21, 1985), page v.

have shown considerable operations improvement possibilities. A project initiated by the Colorado FAC has potential cost savings of as much as $3.75 million annually if applied nationwide by December 31, 1989. USDA expects a project initiated by the Georgia FAC to yield total cost savings of $12.6 million over a 10-year period.

FACs Currently Lack Direction From USDA Headquarters

On the basis of discussions with present and former USDA officials during our general management review of the Department, we believe that inconsistent direction in Washington has reduced incentives for the FACs to pursue their objectives. One development in particular—the transfer of NFAC jurisdiction from the Office of the Secretary to the Office of the Assistant Secretary for Governmental and Public Affairs (OGPA) in 1986—appears to have contributed significantly to the diminished status of the FACs.[1]

A former NFAC representative and other USDA officials told us that placing FAC oversight under OGPA responsibility reduced the FACs' visibility. Without the access to the Secretary enjoyed by higher placed USDA officials, the NFAC Director had little or no power to foster interagency coordination. Another official said that the FACs are presently without direction and "in a state of limbo."

We also learned that reduced interest in FAC activities has affected the ability of the FACs to provide feedback to the Secretary. For example, although state FACs are required by departmental guidance to continue sending quarterly meeting minutes and annual needs assessments to NFAC, no headquarters officials we spoke with, including a former assistant to the NFAC Director, could locate these documents.

Initiatives intended to improve USDA field operations are also suffering from reduced headquarters interest in the FACs. Although some projects proposed by the FACs in response to USDA's 1985 streamlining initiative were potentially applicable on a nationwide basis, both headquarters and field officials told us that headquarters has been slow to follow up on these proposals. As of September 1989, for example, USDA had initiated modifications at only 13 of the 57 targeted sites across the country for implementing the Colorado FAC's telecommunications project. Therefore, USDA has realized only $933,000 in cost savings, or less than one-

[1]A 1988 reorganization of OGPA has since transferred NFAC jurisdiction to the Director, Office of Public Affairs.

quarter of the $3.75 million in savings the Department had expected to accrue by December 31, 1989.

In addition, FAC involvement in implementing USDA's office collocation policy has been of limited value. At present USDA headquarters requires FACs to report only how many counties in their respective states have collocated offices. USDA headquarters does not currently require FACs to report (1) which agencies are collocated in a given county, (2) the potential for additional collocation in a given county, and (3) what benefits—tangible or intangible—are obtained through collocation. Without this information from the FACs, it is difficult for USDA to adequately assess the potential for additional collocations nationwide or even determine which USDA agencies are operating in a given county.[5]

A Need for Action

Without the leadership at USDA headquarters that a strong national FAC Director could provide, there is little incentive for state and local FAC chairpersons to focus on FAC missions and objectives. Because the field structure is agency-based, employee loyalty focuses on the individual agencies rather than the Department as a whole. Yet, a strong linkage between USDA headquarters and its field offices at the state and local levels can yield significant benefits to the Department in terms of policy coordination on major, cross-cutting issues and improved efficiency of USDA's field delivery systems. Moreover, in an era when technological advances will create new opportunities for integrating support services and declining federal budgets will force all federal agencies to take a hard look at the efficiency of their field delivery systems, USDA needs to tap the knowledge of those closest to the field in addressing these concerns.

A high-level liaison between headquarters and the state and local FACs could provide the oversight and direction needed to more fully involve the field in helping to implement program, policy, and administrative initiatives. If properly managed, this liaison could transform the FACs into the relatively budget-neutral, strategic management tool for which they were originally intended.

[5]USDA acknowledges that its current collocation tracking system is unsatisfactory. The Department is presently revising this system and will soon request additional collocation data from the FACs.

Recommendation

To ensure that the FACs fulfill their responsibilities to (1) facilitate the flow of USDA-wide initiatives to the state and local levels and (2) provide a source of feedback from the field on pressing issues affecting farm communities nationwide, we recommend that you institutionalize the headquarters liaison for the FACs in the Office of the Secretary.

Our discussion with USDA officials as a part of our general management review of the Department also identified other FAC considerations, including the need to increase FAC member incentives, improve FAC accountability, and stimulate USDA's ongoing commitment to an improved field delivery system. A summary of USDA officials' views on how to strengthen the FACs and additional actions to consider are in appendix I.

We conducted our work between August and October 1989 in accordance with generally accepted government auditing standards. Copies of this report are being sent to the Director, Office of Management and Budget; interested congressional committees and subcommittees; and other interested parties. Please contact me at (202) 275-5138 if you or your staff have any questions about this report. Major contributors are listed in appendix II.

Sincerely yours,

John W. Harman
Director, Food and Agriculture Issues

Agency Officials' Views on FACs and Additional Actions to Consider

Our discussions with present and former U.S. Department of Agriculture (USDA) officials identified possible actions that could elevate the status of the Food and Agriculture Councils (FAC) and give them a major role in (1) spearheading any Department efforts to improve the responsiveness of USDA's field delivery systems and (2) serving as the Secretary's conduit for Department-wide initiatives at state and local levels. We have summarized these officials' comments as follows:

Officials' Views on Upgrading FACs' Role

Focal Point

- The FACs need a high-level focal point in Washington to act as the link between the Secretary and the field offices. There are currently 51 focal points (FAC chairs in the states and territories) pursuing separate agendas. USDA needs to determine the proper mix of "top-down" leadership and "bottom-up" input.
- USDA can foster continuity in supporting FAC issues by institutionalizing the FAC liaison in the Office of the Secretary. The liaison must understand USDA's mission at the field level and have a firm understanding of sound management principles.
- To be truly effective the FAC focal point in Washington needs to have the backing of the Secretary or Deputy Secretary. State FAC chairpersons currently perceive their FAC work as low priority because they are getting little or no direction from Washington.
- Support from the Secretary or Deputy Secretary is critical if disputes between the FAC liaison and agency administrators are to be resolved effectively.
- Agency administrators need to show their backing for the FACprocess by expressing their support for the new FAC liaison and FAC initiatives.

Incentives

- Awards, recognition from headquarters, and "perks" are not used frequently enough to stimulate a higher level of FAC participation in cross-cutting issues and other major USDA initiatives.
- A competitive environment, in which state FACs compete for pilot programs designed to test various USDA initiatives, would effectively stimulate FAC participation, particularly if there were tangible benefits and/or awards in completing a successful pilot. The Secretary could further stimulate FAC interest by publicizing FAC successes worthy of emulation.

- FACs would be more interested in pursuing cost-savings initiatives if the agencies involved in such endeavors could utilize some or all of the funds thus saved.
- The Secretary can promote the state FAC chairpersons as USDA's "ambassadors" to oversee the implementation of Department policies at the state level. The FACs can step in to resolve localized interagency disputes, tap regional expertise on major cross-cutting issues, and, in general, raise staff morale and respect for the Department as a whole.

Accountability

- The FAC role must be clearly defined if the councils are to be involved in implementing USDA policy initiatives.
- FAC responsibilities should be part of the job description of all state and local FAC representatives, and some system of accountability must be in place to ensure baseline performance standards for FAC participants nationwide.

Additional Actions to Consider

We believe the actions identified by USDA officials to increase FAC member incentives, improve FAC accountability, and stimulate USDA's ongoing commitment to improve field delivery systems have merit. Accordingly, in conjunction with institutionalizing the headquarters liaison for the FACs, actions could be taken to

- recognize FAC representatives who (1) provide innovative suggestions for improving the efficiency and cost-effectiveness of USDA's field delivery system and/or (2) provide invaluable service in implementing Department-wide initiatives at the state and local levels;
- increase the visibility of FAC contributions to the Department in general by publicizing these achievements nationwide;
- require that performance standards be developed for FAC participants and that FAC contributions be made a critical element in merit pay decisions;
- appoint a career USDA employee with a strong background in field office management issues to be the FAC liaison or assistant; and
- (1) solicit pilot project proposals from state FAC chairpersons for improving the efficiency and/or cost-effectiveness of USDA field operations and have state FACs compete for the opportunity of conducting demonstrations of the most promising proposals and (2) reward successful FACpilots with financial awards and/or the discretion to utilize cost savings where feasible.

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